



4004

ANNUAL REPORT

OF

Name: HEADWATERS TELEPHONE COMPANY

Principal Office: 53 N STEVENS ST
P.O. BOX 340
RHINELANDER, WI 54501-0340

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I LIVINGSTON ROSS of
(Person responsible for accounts)

HEADWATERS TELEPHONE COMPANY , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

LIVINGSTON ROSS 03/31/2000
(Person responsible for accounts) (Date)

VICE PRESIDENT AND CHIEF ACCOUNTING OFFICER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: HEADWATERS TELEPHONE COMPANY
Utility Location: 53 N STEVENS ST
P.O. BOX 340
RHINELANDER, WI 54501-0340

Utility Web Site Address:

When was utility organized?: 01/01/1913

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR SCOTT BOHLER
Title: MANAGER, STATE REGULATORY

Office Address: 137 HARRISON STREET
JOHNSTOWN, NY 12095

Fax Number: (518) 773 - 8814
Telephone Number: (518) 773 - 6886
Email Address: sbohler@czn.com

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MS BETH THOMPSON
Title: CONTROLLER

Office Address: 5600 HEADQUARTERS DRIVE
PLANO, TX 75024

Fax Number: (469) 365 - 3505
Telephone Number: (469) 365 - 3502
Email Address: bethomps@czn.com

Person responsible for statistical information contained in report

Name: MR SCOTT BOHLER
Title: MANAGER, STATE REGULATORY

Office Address: 137 HARRISON STREET
JOHNSTOWN, NY 12095

Fax Number: (518) 773 - 8814
Telephone Number: (518) 773 - 6886
Email Address: sbohler@czn.com

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	RHINELANDER TELEPHONE COMPANY
Address:	53 NORTH STEVENS STREET PO BOX 340 RHINELANDER, WI 54501-0340
Number of Shares Held:	7,057
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	6,697,823	4,985,656	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	1,285,707	468,259	2
Plant Nonspecific Operations Expense	2,310,624	1,628,290	3
Customer Operations Expense (6610-6620)	863,866	419,872	4
Corporate Operations Expense (6710-6790)	328,062	243,813	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	1,349,320	940,332	7
Total Operating Expenses	6,137,579	3,700,566	8
Net Operating Income	560,244	1,285,090	9
Other Income			
Nonoperating Income and Expense (7300)	(247,813)	43,577	10
Nonoperating Taxes (7400)	(196,169)	17,595	11
Interest and Related Items (7500)	237,462	246,464	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(294,095)	89,997	14
Total Nonoperating Income	(583,201)	(130,485)	15
Net Income	(22,957)	1,154,605	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

None .

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None .

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or payment of cash dividends, redemptions of capital stock or investment in affiliated companies except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	1,272,449	(114,893)	2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)		200	4
Temporary Investments (1160)		430,268	5
TOTAL CASH AND EQUIVALENTS	1,272,449	315,575	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	146,985	227,939	6
Accounts Receivable Allowance-Telecom (1181)*	(3,127)		7
Net: Telecommunications Accounts Receivable	150,112	227,939	
Other Accounts Receivable (1190)*	1,998,275	885,329	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	1,998,275	885,329	
Notes Receivable (1200)*		0	10
Notes Receivable Allowance (1201)*		0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*			12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	2,148,387	1,113,268	
SUPPLIES			
Inventories (1220)*			13
TOTAL SUPPLIES	0	0	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)	429,433	214,837	16
Prepaid Insurance (1310)		3,109	17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)	67,609	24,458	19
TOTAL PREPAYMENTS	497,042	242,404	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	54,525		20
TOTAL OTHER CURRENT ASSETS	54,525	0	
TOTAL CURRENT ASSETS	3,972,403	1,671,247	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*			22
Other Investments in Nonaffiliated Companies (1402)*	173,400	173,400	23
Nonregulated Investments (1406)*		344,954	24
Unamortized Debt Issuance Expense (1407)*			25
Sinking Funds (1408)*		0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*			27
TOTAL INVESTMENTS	173,400	518,354	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*		0	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*	368,434	331,913	30
TOTAL DEFERRED CHARGES	368,434	331,913	
TOTAL NONCURRENT ASSETS	541,834	850,267	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	23,485,460	22,518,442	31
Less: Accumulated Depreciation (3100)*	13,676,146	11,589,632	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	9,809,314	10,928,810	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	1,095,976	360,312	40
TOTAL TPUC	1,095,976	360,312	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	12,185,896		41
Less: Accumulated Amortization--Other (3600)*	330,031		42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	11,855,865	0	
TOTAL PLANT	22,761,155	11,289,122	
TOTAL ASSETS AND OTHER DEBITS	27,275,392	13,810,636	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	557,531	180,715	1
Notes Payable (4020)*		0	2
Advance Billing and Payments (4030)*	42,614	42,628	3
Customer Deposits (4040)*	600	650	4
Current Maturities--Long-Term Debt (4050)*	174,573	164,648	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*		128,794	7
Other Taxes--Accrued (4080)*	82,466	2,617	8
Net Current Deferred Operating Income Taxes (4100)*		0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	50,098	44,947	11
Other Current Liabilities (4130)*	28,615		12
TOTAL CURRENT LIABILITIES	936,497	564,999	
LONG-TERM DEBT			
Funded Debt (4210)*	3,122,767	3,306,499	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	112,166	0	18
Other Long-Term Debt (4270)*		0	19
TOTAL LONG-TERM DEBT	3,234,933	3,306,499	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	164,037	177,012	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	1,780,525	1,832,820	23
Net Deferred Tax Liability Adjustments (4341)*		(148,046)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			25
Other Deferred Credits (4360)*	1,159,733	1,304,348	26
Deferred Tax Regulatory Liability (4361)*		175,434	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	3,104,295	3,341,568	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	70,570	70,570	28
Additional Paid-in Capital (4520)*	18,701,100		29 7
Treasury Stock (4530)*		0	30
Other Capital (4540)*			31
Retained Earnings (4550)*	1,227,997	6,527,000	32
TOTAL STOCKHOLDERS' EQUITY	19,999,667	6,597,570	
TOTAL LIABILITIES AND OTHER CREDITS	27,275,392	13,810,636	

IMPORTANT CHANGES DURING THE YEAR

-
1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None .

-
2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None .

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
CRANDON TELEPHONE COMPANY	CTC	1
CITIZENS TELE. COMPANY - CTC ARIZONA RURAL	CTC AZ RUR	2
CITIZENS TELE. COMPANY - CTC CALIFORNIA	CTC CA	3
CITIZENS TELE. COMPANY - CTC NAV AZ	CTC NAV AZ	4
CITIZENS TELE. COMPANY - CTC NAV NM	CTC NAV NM	5
CITIZENS TELE. COMPANY - CTC NEVADA	CTC NV	6
CITIZENS TELE. COMPANY - CTC WEST VIRGINIA	CTC WV	7
CITIZENS TELE. SERVICE COMPANY	CTSC	8
NEW NORTH TELECOMMUNICATIONS INC	NTI	9
PUBLIC SERVICE ORGANIZATION	PSO	10
RIB LAKE TELEPHONE COMPANY	RLT	11
RHINELANDER TELEPHONE COMPANY	RTC	12
RHINELANDER TELECOMMUNICATIONS, INC.	RTI	13
STAMFORD ADMINISTRATIVE OFFICE	SAO	14

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	None	None	2520AT000102	
Name of Affiliate	CTC	NTI	RLT	RTC	1
Designate whether billed to or from:	FROM	FROM	TO	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Total Dollar Activity	656	251,434	45,006	155	4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00	0.00			6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None				
Name of Affiliate	RTI				1
Designate whether billed to or from:	FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C				3
Total Dollar Activity	251,372				4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00				6
Footnotes					

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	55,404		1
Motor Vehicles	2112	0		2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	45,777		6
Buildings	2121	2,048,568		7
Furniture	2122	2,646		8
Office Equipment	2123	0	0	9
General Purpose Computers	2124	29,895		10
TOTAL--GENERAL SUPPORT ASSETS:		2,182,290	0	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	5,089,401	0	12 o
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	302,714	0	15 o
Circuit Equipment	2232	4,915,872	297,464	16 o
TOTAL--CENTRAL OFFICE ASSETS:		10,307,987	297,464	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20 o
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	3,959		22
Aerial Cable	2421	17,228	0	23 o
Underground Cable	2422	273,526	0	24 o
Buried Cable	2423	9,683,666	3,556	25 o
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	834		29
Conduit Systems	2441	48,952		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		10,028,165	3,556	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			55,404	1
2112			0	2
2113			0	3
2114			0	4
2115			0	5
2116			45,777	6
2121			2,048,568	7
2122			2,646	8
2123	0	0	0	9
2124			29,895	10
	0	0	2,182,290	
2211			0	11
2212	0	(88,066)	5,001,335	12 0
2215	0	0	0	13
2220			0	14
2231	0	1	302,715	15 0
2232	0	728,880	5,942,216	16 0
	0	640,815	11,246,266	
2311			0	17
2321			0	18
2341			0	19
2351		24,778	24,778	20 0
2362			0	21
	0	24,778	24,778	
2411			3,959	22
2421	0	0	17,228	23 0
2422	0	0	273,526	24 0
2423	0	405	9,687,627	25 0
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			834	29
2441			48,952	30
	0	405	10,032,126	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	22,518,442	301,020
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	0	665,998	23,485,460	
2001			0	34
			23,485,460	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	0		1
Company Communications Equipment	2123.2	0		2
Software	2212.1	455,252		3
Digital Switching - Central Office	2212.2	4,634,149		4 0
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	302,714		9 0
Digital Circuit Equipment	2232.1	3,760,184	297,464	10 0
Analog Circuit Equipment	2232.2	1,155,688		11 0
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	17,228		13 3
Aerial Cable - Metallic	2421.2	0		14 3
Underground Cable - Nonmetallic	2422.1	66,487		15 3
Underground Cable - Metallic	2422.2	207,039		16 3
Buried Cable - Nonmetallic	2423.1	6,800,622	3,556	17 3
Buried Cable - Metallic	2423.2	2,883,044		18 3
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			0	1
2123.2			0	2
2212.1			455,252	3
2212.2		(88,066)	4,546,083	4 0
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2		1	302,715	9 0
2232.1		694,690	4,752,338	10 0
2232.2		34,190	1,189,878	11 0
2232.3			0	12
2421.1			17,228	13 3
2421.2			0	14 3
2422.1		(3,874)	62,613	15 3
2422.2		3,874	210,913	16 3
2423.1		405	6,804,583	17 3
2423.2			2,883,044	18 3
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	0				1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	40,756	10.0	4,578	146	51
Buildings	2121	828,085	3.33	68,217	2,173	61
Furniture	2122	2,646	10.0	265	8	71
Office Equipment	2123	0				8
General Purpose Computers	2124	29,895	25.0	7,474	238	91
Total-- GENERAL SUPPORT ASSETS		901,382		80,534	2,565	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	2,522,369		470,681	14,994	111
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	302,714		36,326	1,157	141
Circuit Equipment	2232	3,374,086		656,840	20,924	151
Total-- CENTRAL OFFICE ASSETS		6,199,169		1,163,847	37,075	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0	13.5	3,362	107	191
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		0		3,362	107	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	3,959	11.6	462	15	211
Aerial Cable	2421	10,485		1,077	34	221
Underground Cable	2422	74,211		13,676	436	231
Buried Cable	2423	4,389,342		488,893	15,574	241
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	834	25.0	209	7	281

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	10,250	3.48	1,703	54 291
Total-- CABLE WIRE FACILITIES ASSETS		4,489,081		506,020	16,120
Total Accumulated Depreciation	3100	11,589,632		1,753,763	55,867
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					0	1
2113					0	2
2114					0	3
2115					0	4
2116				(149)	45,331	5 1
2121				(2,224)	896,251	6 1
2122				(8)	2,911	7 1
2123	0				0	8
2124				(241)	37,366	9 1
	0	0	0	(2,622)	981,859	
2211					0	10
2212	0			(15,164)	2,992,880	11 1
2215	0				0	12
2220					0	13
2231	0			(1,176)	339,021	14 1
2232	0			287,578	4,339,428	15 1
	0	0	0	271,238	7,671,329	
2311					0	16
2321					0	17
2341					0	18
2351				24,669	28,138	19 1
2362					0	20
	0	0	0	24,669	28,138	
2411				(15)	4,421	21 1
2421	0			(34)	11,562	22 1
2422	0			(441)	87,882	23 1
2423	0			(15,850)	4,877,959	24 1
2424	0				0	25
2425					0	26
2426	0				0	27
2431				(7)	1,043	28 1

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441				(54)	11,953	29 1
	0	0	0	(16,401)	4,994,820	
3100	0	0	0	276,884	13,676,146	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	0				1
Company Communications Equipment	2123.2	0				2
Software	2212.1	455,252	25.0	113,813	3,626	31
Digital Switching - Central Office	2212.2	2,067,117	7.85	356,868	11,368	41
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	302,714	12.0	36,326	1,157	91
Digital Circuit Equipment	2232.1	2,218,398	12.0	457,685	14,580	101
Analog Circuit Equipment	2232.2	1,155,688	12.0	142,785	4,548	111
Light Wave Circuit Equipment	2232.3	0	6.5	56,370	1,796	121
Aerial Cable - Nonmetallic	2421.1	0	6.25	1,077	34	131
Aerial Cable - Metallic	2421.2	10,485	6.25			141
Underground Cable - Nonmetallic	2422.1	27,603	5.0	3,131	100	151
Underground Cable - Metallic	2422.2	46,608	5.0	10,545	336	161
Buried Cable - Nonmetallic	2423.1	672,430	5.25	357,138	11,377	171
Buried Cable - Metallic	2423.2	3,716,912	4.57	131,755	4,197	181
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					0	1
2123.2					0	2
2212.1				(3,658)	569,033	31
2212.2				(11,506)	2,423,847	41
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2				(1,176)	339,021	91
2232.1				(47,175)	2,643,488	101
2232.2				27,821	1,330,842	111
2232.3				306,932	365,098	121
2421.1				10,451	11,562	131
2421.2				(10,485)	0	141
2422.1				8,376	39,210	151
2422.2				(8,817)	48,672	161
2423.1				3,032,874	4,073,819	171
2423.2				(3,048,724)	804,140	181
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	6,527,000	5,892,395	1 7
Changes:			
Balance Transferred from Income	1,251,743	1,154,605	2
Dividends Declared:			
Common		520,000	3
Preferred		0	4
Total Dividends Declared	0	520,000	
Miscellaneous Debits to Retained Earnings	6,550,746	0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>1,227,997</u>	<u>6,527,000</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	814,574	802,762	2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)	166		4
Other Mobile Services Revenue (5004)	168,062		5
Public Telephone Revenue (5010)		0	6
Local Private Line Revenue (5040)	987	788	7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)	120,506	157,853	9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,104,295	961,403	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	227,679	215,555	11
Switched Access Revenue (5082)*	1,420,882	1,360,452	12
Special Access Revenue (5083)*	823,864	344,910	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	2,472,425	1,920,917	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	1,842,451	1,268,075	15
Special Access Revenue (5084.3)*		472,775	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,842,451	1,740,850	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	106,215		17
Long Distance Inward-Only Revenue (5111)	150		18
Long Distance Outward-Only Revenue (5112)	150		19
Unidirectional Long Distance Revenue (5110)	300	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)	60		21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)		93,169	23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	60	93,169	
Other Long Distance Revenue (5160)	84,557		28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	191,132	93,169	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	45,750	48,961	30
Rent Revenue (5240)*	137,254	112,839	31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	776,795		34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)	241	6,831	37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	777,036	6,831	
Interstate Billing and Collection Revenue*	28,604	28,451	39
Intrastate Billing and Collection Revenue*	89,305	87,448	40
Total Carrier Billing and Collection Revenue (5270)*	117,909	115,899	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	1,077,949	284,530	
GROSS OPERATING REVENUES	6,688,252	5,000,869	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	(9,571)	15,213	43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(9,571)	15,213	
TOTAL OPERATING REVENUES	6,697,823	4,985,656	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	0	0	1
Less: Nonregulated	0	0	2
Net Regulated	0	0	3
Total General Support Expense (6120)	190,484	92,601	4
Less: Nonregulated	53,207	0	5
Net Regulated	137,277	92,601	6
Total Central Office Switching Expense (6210)	217,869	158,975	7
Less: Nonregulated	6,393	0	8
Net Regulated	211,476	158,975	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	335,071	76,591	13
Less: Nonregulated	280,207	0	14
Net Regulated	54,864	76,591	15
Total Information Orig. / Term. Expense (6310)	16,855	24	16
Less: Nonregulated	16,748	0	17
Net Regulated	107	24	18
Total Cable and Wire Fac. Expense (6410)	168,873	140,068	19
Less: Nonregulated	0	0	20
Net Regulated	168,873	140,068	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	929,152	468,259	
Less: Nonregulated	356,555	0	
Net Regulated	572,597	468,259	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	656	0	22
Less: Nonregulated	3	0	23
Net Regulated	653	0	24
Total Network Operations Expense (6530)	333,663	364,643	25
Less: Nonregulated	35,430	0	26
Net Regulated	298,233	364,643	27
Access Expense (6540)	92,054	0	28
Less: Nonregulated	0	0	29
Net Regulated	92,054	0	30
Total Depreciation and Amortization Expense (6560)	1,809,630	1,263,647	31
Less: Nonregulated	39,188	0	32
Net Regulated	1,770,442	1,263,647	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	2,236,003	1,628,290	
Less: Nonregulated	74,621	0	
Net Regulated	2,161,382	1,628,290	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	245,142	24,921	34
Less: Nonregulated	186,174	0	35
Net Regulated	58,968	24,921	36
Total Services (6620)	412,550	394,951	37
Less: Nonregulated	20,000	0	38
Net Regulated	392,550	394,951	39
TOTAL CUSTOMER OPERATIONS EXPENSE	657,692	419,872	
Less: Nonregulated	206,174	0	
Net Regulated	451,518	419,872	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	21,509	59,589	40
Less: Nonregulated	5,173	0	41
Net Regulated	16,336	59,589	42
Total General and Administrative (6720)	871,255	184,224	43
Less: Nonregulated	559,529	0	44
Net Regulated	311,726	184,224	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	892,764	243,813	
Less: Nonregulated	564,702	0	
Net Regulated	328,062	243,813	
TOTAL EXPENSES	4,715,611	2,760,234	
Less: Nonregulated	1,202,052	0	
Net Regulated	3,513,559	2,760,234	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	656	0	2
Total: Reported in Account 6510	656	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,809,630	1,263,647	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	1,809,630	1,263,647	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	6,688,252	1
Plus: Collection of amounts previously written off	6,153	2
Less: Uncollectibles written off during the year	15,580	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>6,678,825</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,104,295	1
Plus: Total Intrastate Access Revenues (5084)	1,842,451	2
Plus: Total Long Distance Network Services Revenue	191,132	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,137,878</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	6,688,252	1
Plus: Collection of amounts previously written off	6,153	2
Less: Uncollectibles written off during the year	15,580	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>6,678,825</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,104,295	1
Plus: Total Intrastate Access Revenues (5084)	1,842,451	2
Plus: Total Long Distance Network Services Revenue	191,132	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,137,878</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0	(26,101)	2
Operating Federal Income Taxes (7220)	857,815	511,455	3
Operating State and Local Income Taxes (7230)	283,842	138,587	4
Operating Other Taxes (7240)	303,414	316,391	5
Provision for Deferred Operating Income Taxes--Net (7250)	(95,751)		6
TOTAL OPERATING TAXES (7200)	1,349,320	940,332	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)			7
Interest Income (7320)	28,759	8,510	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)	28,423	37,092	10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)	(304,644)	(45)	12
Special Charges (7370)	351	1,980	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	(247,813)	43,577	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	(196,169)	17,595	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	237,462	246,464	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	(294,095)	89,997	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
Cellular	1 5
Inside Wiring	2 5
Paging	3 5
Sales & Maintenance of Customer Premise Equipment (CPE)	4 5

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Toll			5
Total Toll	0	0	
Total Local & Toll	0	0	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.					7
Feature Group D -- Term.					8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	172	1 6
Strand miles of plant - fiber optics	2,576	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	1	9	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	2	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	172	1 6
Strand miles of plant - fiber optics	2,576	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	1	9	2
64 kbps (DS0)	1	0	3
1.54 Mbps (DS-1)	2	2	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	401	410	3
2 Party	4	3	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	16	41	7
Centrex Lines	0	0	8
Key System Trunks	56	54	9
Mobile (Utility Provided Service)	3	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone	13	16	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	5	5	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	498	529	20
Residential (Incl. Emp. Concess.)			
1 Party	4,462	4,660	22
2 Party	309	270	23
4 Party	0	0	24
FX-Out (Switched)	0	0	25
Other	0	0	26
Total Residential Lines	4,771	4,930	27
Total Bus & Res Lines	5,269	5,459	28
Company Used Lines	97	98	29
Total Lines Used	5,366	5,557	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	1	0	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	44	43	7
Special Access-interLATA			8
(expressed in equiv. access lines)	78	79	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	0	0	13
TSPS - Trunks	0	0	14
EAS - Trunks	96	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	19	1	18
Customers			
Business - 2 Party Customers	4	3	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	309	270	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	20,336,152	0	26
Total Company Square Miles	422	422	28
Total Company Route Miles	1,513	0	29
Footnotes		4	30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1690	2830	4120	5230	1
Business					2
1 Party	132	133	80	65	3
2 Party	1	2	0	0	4
4 Party	0	0	0	0	5
PBX Trunks/System Trunks	0	0	0	0	6
Centrex Trunks	0	---CONF---	---CONF---	---CONF---	7
Centrex Lines	0	0	0	0	8
Key System Trunks	18	14	12	10	9
Mobile (utility provided service)	0	0	0	0	10
Paging (utility provided service)	0	0	0	0	11
FX-Out (Switched)	0	0	0	0	12
Pay Telephone	4	7	1	4	13
Coin-Operated Pay Telephone	0	0	0	0	14
Independent Pay Telephone Provider	2	3	0	0	15
Pay Stations - Public	0	0	0	0	16
- Semi-Public	0	0	0	0	17
- Cust. Owned	0	0	0	0	18
Other	0	0	0	0	19
Total Business Lines	157	175	101	96	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,323	1,981	673	683	22
2 Party	77	127	50	16	23
4 Party	0	0	0	0	24
FX-Out (Switched)	0	0	0	0	25
Other	0	0	0	0	26
Total Residential Lines	1,400	2,108	723	699	27
Total Bus & Res Lines	1,557	2,283	824	795	28
Company Used Lines	18	38	27	15	29
Total Lines Used	1,575	2,321	851	810	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1690	2830	4120	5230	1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0	0	3
WATS Lines - 800 Service	0	0	0	1	4
FX-In-intraLATA	0	0	0	0	5
Special Access-intraLATA					6
(equiv. access lines)	35	7	0	1	7
Special Access-interLATA					8
(equiv. access lines)	1	75	3	0	9
Feature Group A Lines	0	0	0	0	10
Feature Group B Trunks	0	0	0	0	11
Feature Group C Trunks	0	0	0	0	12
Feature Group D Trunks	0	0	0	0	13
TSPS - Trunks	0	0	0	0	14
EAS - Trunks	0	0	0	0	15
Cellular Trunks (Pub. Sw. Net.)	0	0	0	0	16
Video Distance Learning					17
- discounted (special tariff)	1	0	0	0	18
Customers					19
Business - 2 Party Customers	1	2	0	0	20
Business - 4 Party Customers	0	0	0	0	21
Residential - 2 Party Customers	77	127	50	16	22
Residential - 4 Party Customers	0	0	0	0	23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	0	0	0	0	27
Exchange Square Miles	87	128	150	57	28
Exchange Route Miles	0	0	0	0	29
Footnotes	4	4	4	4	30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	ELCHO LAKE	TOMAHAWK	PELICAN LAKE	SUGAR CAMP	1
PSCW Exchange ID	1690	2830	4120	5230	2
Central Office Name	ELCHO LAKE	TOMAHAWK	PELICAN LAKE	SUGAR CAMP	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	NTI	NTI	NTI	NTI	5
Year COE Installed	1992	1992	1992	1993	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	R	R	8
Remote Host PSCW Exchange ID	4550	4550	4550	4550	9
Remote Host PSCW Central Office ID	1	1	1	1	10
COE Generic Software Release No.	LLT00008	LLT00008	LLT00008	LLT00008	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	1,579	2,321	851	810	14
- Equipped	1,855	3,121	942	928	15
- Wired	4,960	5,760	1,920	2,752	16
Trunks - In Use	96	0	0	0	17
- Equipped	96	0	0	0	18
- Wired	96	0	0	0	19
ISDN Available?	No	No	No	No	20
ISDN Lines - In Use (BRI)	0	0	0	0	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	37	42	20	18	25
DS-3 - In Use	1	1	0	0	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	Yes	Yes	Yes	Yes	31
- In Use (# lines) ¹	1	19	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	76	136	40	40	33
No. of fiber strands working (LIT) in C.O.	26	20	12	12	34
No. of fiber strands for interoffice use	24	20	12	12	35
Miles of fiber sheath in wire center	172	0	0	0	36
Access Tandem Serving this C.O.:					
- C.O. Name	RHINELANDER	RHINELANDER	RHINELANDER	RHINELANDER	37
- PSCW C.O. ID	4550-01	4550-01	4550-01	4550-01	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes	6	6	6	6	42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

reloaded by ele 10/25/00

Schedule Footnotes

Schedule Line Footnotes

- 0) These amounts represent adjustments to bring the accounts into alignment with the plant summary report and they also contain non-regulated data that was not reported in 1998.
- 1) The allocated expense is reflected in the additional accrual column. In order to tie the schedule to the reserve reports, the additional accrual must then be backed out in the other column. The allocated reserve resides on CTSCs books.
- 2) Out-of-State Operating Revenues.
- 3) Amount in 2422.1 and 2422.2 were reversed in 1998 and are reported in 1999 the way that they appear on the books. The same applies for 2423.1 and 2423.2.
- 4) No information is available to report this for 1999.
- 5) Non-regulated activities.
- 6) This number applies to all four exchanges. No information is available to divide this out between the exchanges. One number was put in here in order to tie back to schedule 49.
- 7) The adjustments related to retained earnings were a result of the 12/98 acquisition of Headwaters Telephone Company by Citizens Utilities.

The increase in APIC was a result of the excess purchase price over the fair market value of the assets purchased in the 12/98 acquisition.